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Advertising Age

March 2, 1992

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LAST MINUTE NEWS

KGF consolidates scanner info at Nielsen

GLENVIEW, Ill.—Kraft General Foods announced an agreement making Nielsen Marketing Research its sole supplier of scanner-based store sales information in North America, starting next Jan. 1. Before the merger of the two companies under parent Philip Morris Cos., Information Resources Inc. provided data to Kraft USA, Tombstone Pizza, Lender's Bagel Bakery and All American Gourmet Co.; Nielsen had contracts with General Foods USA, Kraft's dairy division, Oscar Mayer Foods Corp. and Philip Morris' Canadian businesses.

Conn. mulls newspaper ad revenue tax

HARTFORD, Conn.—A legislative committee on March 3 will hear testimony on a bill linking newspapers' use of recycled paper to a tax based on ad revenue. The measure,

(Continued on Page 8)

A-B's media grab

D'Arcy, DDB Needham lose to in-house unit

By Ira Teinowitz and Joe Mandese

Anheuser-Busch is pulling in-house $140 million in media buying from D'Arcy Masius Benton & Bowles, St. Louis, and all media planning for its $280 million beer account now handled by D'Arcy and DDB Needham Worldwide, Chicago.

In a stunning announcement, which will result in A-B using two full-service agencies as little more than creative boutiques, the giant brewing company cited its growing

■ **Unilever moves $100 million in media buying to JWT—Page 29.**

reliance on multifaceted promotion partnerships and its lessened dependence on agencies to evaluate the deals.

All media buying and planning will move by July to Busch Media Group, set up five years ago to handle national TV and local radio buying for the brewer.

Planning for the beer account had been split by brand between D'Arcy and DDB Needham. D'Arcy handled buying for print, spot TV, stadium signage, outdoor advertising and local sports sponsorships (though the latter

(Continued on Page 30)

Bush eyes big admen

By Steven W. Colford

POLITICS 92

WASHINGTON—Sean Fitzpatrick, who created Chevrolet's "Heartbeat of America" campaign, and Martin Puris, president-ceo of Ammirati & Puris, are among the prominent Madison Avenue names on the Bush-Quayle campaign's list of prospective members of its re-election ad team, sources say.

■ **Garfield reviews Buchanan's new spot—Page 32.**

Also, Bob Gardner, president and executive creative director of Gardner Communications, San Francisco, who worked on the 1976 campaign of President Gerald Ford, met last week in Washington with campaign chairman Robert Teeter to discuss joining the ad team.

Ed Ney, former chairman of Young & Rubicam and U.S. ambassador to Canada since 1989, is also interested in joining the campaign,

(Continued on Page 32)

A new Buchanan spot says, "The Bush administration has invested our tax dollars in pornographic and blasphemous art . . . has glorified homosexuality, exploited children and perverted the image of Jesus Christ."

Y&R to create promo giant

By Jon Lafayette

NEW YORK—Young & Rubicam will merge its sales promotion unit into its direct marketing operation, creating the world's largest non-advertising marketing services company.

A senior Y&R executive said the merger of the Wunderman Worldwide direct marketing operation and Cato Johnson Worldwide sales promotion unit could be announced as early as this week.

The merged company is expected to keep some form of the Wunderman Worldwide moniker and boast $1 billion in billings.

Both companies "are in the business of altering behavior in an immediate and accountable way," the Y&R executive said. "The technologies at the hearts of both those businesses are coming together, so it seems sensible to put them together."

He added that both sales promotion and direct marketing increasingly require database management capabilities to effectively target messages.

But other sources noted Y&R has reorganized Cato John-

(Continued on Page 8)

Murdoch: We'll do fine post-Diller

By Diane Mermigas and Joe Mandese

News Corp. Chairman Rupert Murdoch moved quickly last week to assure the TV industry that Fox Inc. will thrive in the post-Diller era.

Barry Diller abruptly resigned last week as Fox chairman-ceo.

Mr. Murdoch said he would assume Mr. Diller's duties to assure the continued growth and profitability of Fox Inc., the parent company of Fox Broadcasting Co., 20th Century Fox Film Corp., 20th Television and Fox Television Stations.

"I've been overseeing it very closely over the last few months," he said.

"I guess I'll be making more direct decisions, although we've got a very strong team here," Mr. Murdoch said.

"And I'll have to spend more time on the movie side than I have in the past. That's always where the risk is," he said.

"Television is going very well. In fact, it's all going very well. I'm looking forward to it," Mr. Murdoch added.

Diller

Murdoch

Fox Inc.'s eight top executives under Mr. Diller are "absolutely in place and staying here," he said.

Last week's only major personnel change by press time was the promotion of Fox Inc. Exec VP Chase Carey, who adds the new title of chief operating officer in charge of daily administrative and financial matters.

"He'll be even more at my right hand than he was at Mr. Diller's," Mr. Murdoch said.

The timetables, policies and plans largely fashioned by Messrs. Murdoch and Diller will remain in place, Mr. Murdoch said.

■ **Barry Diller talks about life after Fox—Page 32.**

Fox Broadcasting executives said they will continue the network's aggressive expansion plans. Those plans include adding a sixth night of prime-time programming this summer and expanding to a full slate of seven nights during 1993. And plans to establish a full-fledged news division are under way

"We will go to seven nights a week as fast as we can develop the programming," Mr. Murdoch said.

Sources familiar with Fox Broadcasting's plans say the network is considering a late-night talk show targeted at young adults, and there's been speculation the network could try to lure funnyman David Letterman from NBC.

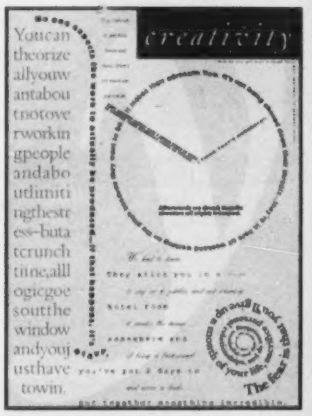
Mr. Letterman, the host of "Late Night With David Letterman," is said to be disenchanted with NBC management and has been rumored to be considering an offer to join ABC.

Mr. Murdoch, who's attended all Fox Broadcasting's program development meetings, said he doesn't think the network's new season series lineup will be adversely affected by Mr. Diller's departure.

"We're very hopeful, but you

(Continued on Page 32)

INSIDE



'Creativity': A look at the pressures of pitching new business. **After Page 18.**

("Creativity" is available on request; call 1-800-678-9595.)

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■ **Anheuser-Bush** is pulling much of its media business in-house to better facilitate multifaceted promotions. 1

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■ **Fox Inc.** says Barry Diller's resignation as chairman-ceo won't slow expansion plans for the Fox network. 1

■ **Coca-Cola's** joint sweepstakes promotion with CBS during the Olympics has so far turned up no grand prize winners. 3

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Calif. lottery ousts Dailey & Associates

By Bradley Johnson

The California State Lottery, facing a 30% plunge in sales this fiscal year, last week terminated Dailey & Associates' contract and put its $25 million ad account up for review.

The move follows the October arrival of a new lottery director who's shaking up games, advertising and promotion to end the lottery's losing streak.

Dailey handled the account since 1987, and its contract was to run through February 1994. The lottery is exercising its option to break the contract for any reason with 30 days' notice.

Dailey received an unprecedented four-year contract renewal after lottery sales roared to a national record $2.6 billion for the fiscal year ended June 1989. That contract took effect in February 1990.

But lottery sales have fallen since then, reaching $2.13 billion in fiscal 1991. Based on performance so far this year, sales could plunge to as low as $1.4 billion to $1.5 billion.

A review has long been rumored (AA, Aug. 12). But Dailey Chairman Phillip Joanou said he was "stunned" because the new director, Sharon Sharp, recently told him Dailey was doing "a great job."

He said he hasn't decided whether to rebid the account, though an incumbent's chances of winning appear slim. Last month, Dailey won the $28 million Sizzler International restaurant account, which would keep agency billings around $200 million even after losing the lottery.

Dailey's creative isn't a "major factor" in the lottery's sales slump, said Joanne McNabb, the lottery's director of public affairs. Instead, she blamed the recession, delays in introducing new games and ad spending cuts.

In 1990, the lottery also made a marketing blunder by worsening the odds to drive up jackpots.

"They made the product worse and they cut the ad budget," Mr. Joanou said.

Spending, which is based on sales, has plunged from the $45 million spent last year. The new three-year contract that begins July 1 won't exceed $25 million annually, Ms. McNabb said. Most major agencies in California are expected to pursue the account.

By yearend, Ms. Sharp will have redesigned all lottery games, reviewed advertising and restructured promotion. The lottery last month hired Alcone Sims O'Brien, Irvine, for a consolidated three-year sales promotion account of up to $10 million a year (AA, Feb. 10). □

Isuzu ads try honesty

By Cleveland Horton and Alice Z. Cuneo

American Isuzu Motors will introduce the new Trooper sport utility vehicle March 15 with an "honesty" corporate campaign.

"If 'Joe Isuzu' was the campaign of liars, this is the campaign of honesty," said Richard Silverstein, principal and creative director of agency Goodby, Berlin & Silverstein, San Francisco.

The new Trooper, carrying the steepest sticker price of any Isuzu, will go up against such competitors as Ford Motor Co.'s Explorer and Mitsubishi Motor Sales of America's Montero.

The campaign, breaking later this month on prime-time network TV, is designed to relaunch the marque and the company, which spends about $95 million annually on advertising.

It's the first full-fledged Isuzu effort since Goodby succeeded Della Femina, McNamee, Los Angeles, on the account last year. Goodby and Isuzu executives both played down a whimsical TV spot from the agency that ran in January.

Silverstein

Mr. Silverstein said the campaign is based on what he called the "unwritten rules of driving."

One 60-second spot is titled "Men Will Never Stop & Ask for Directions." Other spots are a :30 titled "New York Off-road Vehicles" and a :60 and :30 called "Snow," about taking a child to see snow for the first time.

Four print executions show how the Trooper's technical specifications fit into one's life. For example, the unwritten law of "when there's a hill, there's a motor home in front of you" explains the benefits of a powerful engine. A separate print ad points out: "The smaller the person, the more space they occupy." It shows pictures of a youngster and all the belongings required for a trip.

Goodby sees Wieden & Kennedy's work for Subaru of America as the new campaign's primary competition, even though Subaru doesn't offer a sport utility vehicle.

Goodby and Portland, Ore.-based Wieden surprised industry observers when, as small independent shops, they won the creative portion of those two national car accounts (Goodby since has been acquired by Omnicom Group).

Wieden's Subaru ads drew attention for being decidedly noncarlike; the TV spots feature descriptive words in various typefaces scrolling over the scene as a voice-over speaks the words. □

Florida ad tax gets replay

By Steven W. Colford

A Florida legislative committee last week opened the door for the state to tax advertising the same way it did briefly in 1987. The House Finance & Taxation Committee voted 17-12 in favor of a bill from state Rep. Willie Logan (D., Opa-Locka) that would phase out exemptions for professional services including advertising from Florida's 6% sales tax. Advertising would become subject to taxation in 1994.

After ending exemptions in 1987, Florida suffered through six months of economic revolt before that measure was repealed.

Florida broadcasters and a business group last week teamed up on an anti-ad tax campaign that sparked local controversy. The National Federation of Independent Businesses effort relied on donated TV time, the Florida Association of Broadcasters said, and followed a paid TV, radio and print campaign from two teacher groups that blasted legislators for failing to adequately fund schools.

The Florida Education Association and Florida Teaching Professionals complained to the Federal Communications Commission that the broadcasters weren't playing fair by providing free time for an anti-tax message while requiring the teachers to pay for their time. An FCC official, without having seen the complaint, said the agency would have authority to act only if the anti-tax spot included a personal attack or a political editorial.

Taxing advertising "violates the First Amendment of the Constitution . . . is self-defeating and impacts negatively on the economy," Susan Gilbert, governor of the American Advertising Federation's Fourth District, told the committee last week. "The extension of the sales tax to advertising will send a message to the national business community that Florida has embarked on another radical change in tax policy, a policy that no other state employs and that will adversely impact the cost of doing business in this state."

The bill is likely to face a floor vote this month, said Bob Levy, president of Robert M. Levy & Associates, Miami, and an AAF lobbyist. He said a similar bill is expected in the Senate and that he doesn't expect Democratic Gov. Lawton Chiles to oppose the measure. The depth of support in the Legislature is hard to gauge, he said.

Dan Jaffe, exec VP of the Association of National Advertisers, said two factors make passage more difficult this time. "There's no sign of support from the leadership of the Legislature, and the state's economy is not nearly as vibrant as the last time," he said. "Do they want to put a burden on the selling process at a time like this?" □

Fox halftime ploy works

NEW YORK—Viewers tuned into Fox Broadcasting Co.'s "Doritos Zaptime/'In Living Color' Super Halftime Party" special and away from CBS' Super Bowl halftime coverage at nearly a corresponding rate, a special minute-by-minute analysis of Nielsen ratings shows.

CBS' halftime low rating was 16.7. While "Zaptime" never surpassed that, the special came within 2 points during the irreverent "Men on Football" segment, which got a 14.9 rating.

Overall, CBS' Super Bowl coverage averaged a 40.3 rating. The "In Living Color" special averaged a 12.1.

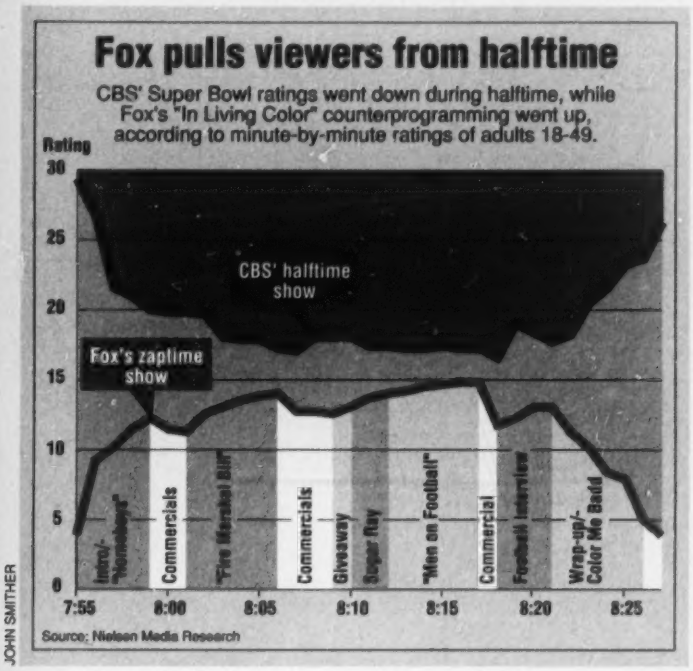
The analysis found about 70% of the "Zaptime" audience came from CBS. The rest came from other sources, including those watching programming on Fox stations.

"That's a very high percentage between two networks," said Charles Kennedy, director of program research at Fox.

Ratings during the Fox commercial breaks were significantly lower than during programming, something that's been found during other programming analyses.

"It was very traditional in the sense that during the commerical breaks, people leave to check out other stuff and then they come back again," Mr. Kennedy said.

During one Fox commercial break, ratings fell to 11.7 compared with a 14.9 rating for the programming leading into it. "That's an unusual drop," Mr. Kennedy said. □



JOHN SMITHER

MEDIA MIX

News briefs on print, electronic and alternative media.

ESPN links with outdoor titles. Sports cable TV network ESPN on April 1 will start running original 2-minute features supplied by Times Mirror Magazines' *Field & Stream* and *Outdoor Life*. The magazines will get one 30-second commercial per feature for a total of 208 spots for the two 26-week cycles. The units will be used in multimedia packages for the magazines' advertisers or to promote the magazines themselves. Seal Communications is handling production under the direction of George Bell, director of TV and video development for Times Mirror Magazines and senior editor of *Outdoor Life*.

Olympic videos in record time. CBS/Fox Home Video, with promotional partners Chrysler Corp. and Bausch & Lomb, will rush two low-price 1992 Winter Olympics videos to stores March 26. Chrysler will sponsor "1992 Winter Olympics Highlights." Bausch & Lomb's See-Quence contact lens brand will back "1992 Winter Olympics Figure Skating." Each marketer will place an ad on the video and feature the tape in promotions.

MEDIA WORKS

Fox socks Big 3. Fox Broadcasting Co., for the first time ever, on Feb. 20 beat all the Big 3 networks during a prime-time period. "The Simpsons," with a 14.9 Nielsen rating, was the winner from 8 p.m. to 8:30 p.m. (ET), beating CBS' Olympics coverage and an original episode of NBC's "The Cosby Show."

Discovering green cable networks. The Discovery Channel is the most environmentally committed cable TV network, according to a study by Yankelovich Clancy Shulman. The study, conducted last summer, is based on a national sample of U.S. adults. When asked to name networks with environmental programming, respondents cited Discovery most frequently (40%), followed by Cable News Network (32%) and TBS and Lifetime Television (12% each). □

TRACKING SHARES

WESTFIELD, N.J.—Fifteen radio networks saw their combined audience drop 0.5% last fall from spring 1991, according to Statistical Research Inc.'s Radar 44 fall 1991 results.

Radar publishes radio network audience estimates twice annually based on telephone surveys of 12,000 respondents who describe their radio listening over a seven-day period. The fall report reflects listening levels from November 1990 through October 1991.

Although some networks increased significantly and others declined during the period, the report was relatively "flat" compared with past reports, which have shown wide fluctuations among radio networks, said Bill McClenaghan, senior VP-research and development of the ABC Radio Network.

"This is a very flat book, but in this case flat is good, because it shows that network radio is growing much less volatile than it had been," Mr. McClenaghan said.

The biggest winners, on a percentage basis, were American Urban Radio Network (up 39.4%), Power (up 10.7%) and NBC (up 5.9%). □

Top radio networks

Statistical Research Inc.'s Radio Audience Measurement Report shows American Urban Radio Network with the biggest gain and WONE with the biggest loss. Figures are in thousands of listeners.

Rank	Network (owner)	Spring 1991	Fall 1991	% chg
1	Prime (ABC)	5,258	5,389	2.5
2	Mutual (Westwood One)	3,380	3,242	−4.1
3	Platinum (ABC)	2,800	2,849	1.8
4	Spectrum (CBS)	2,361	2,408	2.0
5	Genesis (ABC)	2,475	2,352	−5.0
6	Super (UniStar)	2,346	2,239	−4.6
7	Ultimate (UniStar)	2,183	2,045	−6.3
8	CBS (CBS)	1,721	1,753	1.9
9	WONE (Westwood One)	1,894	1,698	−10.3
10	NBC (Westwood One)	1,524	1,614	5.9
11	Source (Westwood One)	1,613	1,484	−8.0
12	Power (UniStar)	1,254	1,388	10.7
13	Excel (ABC)	1,213	1,107	−8.7
14	Galaxy (ABC)	1,024	1,028	0.4
15	American Urban (AUR)*	716	998	39.4
	Total	31,762	31,594	−0.5

*Sheridan Broadcasting and the National Black Network both combined and reconfigured the two networks to form the American Urban Radio Network. The Radar 43 audiences for AUR reflect the mere addition of the two companies and are included for comparison purposes only. The definition of the newly reconfigured AUR is different in structure and cannot be replicated by just adding the audiences of the two previous networks.
Source: Statistical Research Inc.

COVER STORY

Tyson KO's competition to take Cover Story title

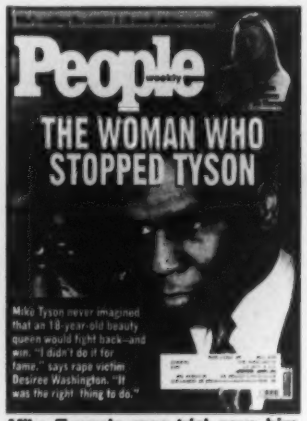
By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearances on the covers of more than 30 of the nation's leading publications.

Former world heavyweight boxing champion **Mike Tyson** went down for the count in court last month, but he emerged victorious in the Cover Story round.

The 25-year-old appeared on more magazine covers in February than any other person, due to coverage of his trial and subsequent conviction in an Indianapolis courtroom on charges he raped an 18-year-old beauty pageant contestant.

The guilty verdict, coming on the second anniversary of his loss of the heavyweight title to James "Buster" Douglas, earned Mr. Tyson 12 points on the Cover Story index, which assigns point values to cover appearances based on such factors as prominence of the photos and publications' frequency.


People
THE WOMAN WHO STOPPED TYSON
Mike Tyson never imagined that an 18-year-old beauty queen would fight back—and win. "I didn't do it for fame," says rape victim Desiree Washington. "It was the right thing to do."

Mike Tyson's rape trial gave him magazine cover prominence.

Mr. Tyson's accuser, **Desiree Washington**, finished in fifth place with 6 points. She shed her anonymity and appeared on the cover of *People* after the conviction, under the headline "The Woman Who Stopped Tyson."

While the month's main attraction was in the courtroom, the balance of cover editors' attention was focused on politics and Hollywood. Arkansas singer **Gennifer Flowers** took second place, tallying 10 points with her claim in the *Star* of a 12-year affair with Democratic presidential candidate **Bill Clinton.**

The Arkansas governor earned 6 Cover Story points last month, tying him for fifth with Ms. Washington.

Third place with 8.5 points went to actor **Warren Beatty**, star of the critically acclaimed film "Bugsy."

The former playboy and actress **Annette Bening**, proud parents of a baby girl, were named one of *US*' "romantic couples." Ms. Bening, who also stars in "Bugsy," earned 4 points last month, good for 10th place in the survey.

TV and radio talk show host **Sally Jessy Raphael** earned fourth place with 8 points following the death of her daughter weeks after her son was seriously injured in an automobile accident.

Tied for fifth place with Ms. Washington and Gov. Clinton was Cover Story veteran **Elizabeth Taylor**, amid continuing tabloid reports of a troubled marriage.

Eighth place also saw a tie, with 5.5 points, between the newest brat pack, the cast of Fox Broadcasting Co.'s hit TV series **"Beverly Hills, 90210,"** and **Barbra Streisand** and **Nick Nolte**, stars of the hit film "Prince of Tides."

Also getting 4 points each in February were **Oprah Winfrey, Hillary Clinton, Sean Young, Hammer, Kevin Costner** and **President Bush.** □

NEWSSTAND

Advertising opportunities in print.

U.S. News & World Report, New York, "Home" special editorial section, April 6 issue; ad close: March 9. Color page: $77,100.

M, New York, "Golf" special advertising section, May issue; ad close: March 10. B&w page: $10,540; color page: $14,720.

Country America, Des Moines, Iowa, "Taste of summer" special advertising section, July/August issue; ad close: March 13. Color page: $43,600.

Endless Vacation, Indianapolis, "Mountain biking" special editorial section, May issue; ad close: March 13. B&w page: $13,650; color page: $18,200.

Parenting, New York, "Summer fun" special advertising section, June issue; ad close: March 16. B&w page: $40,740; color page: $52,160.

AutoWeek, Detroit, "Collectible car almanac" special advertising section, April 6 issue; ad close: March 17. B&w page: $12,415; color page: $19,335.

Sports Illustrated, New York, "Homeowners" special advertising section, May 25 issue; ad close: March 23. Color page: $134,000.

The Wall Street Journal, New York, "Executive pay" special editorial section, April 22 issue; ad close: April 1. B&w page: $110,627.04.

Parade, New York, "Fish on the grill" special editorial section, May 17 issue; ad close: April 9. Color page: $366,700.

New York Magazine, New York, "Spring travel" special advertising section, April 20 issue; ad close: April 13. B&w page: $19,240; color page: $30,280.

USA Weekend, "Outdoor travel" special advertising section, May 22-24 issue; ad close: April 24. B&w page: $183,645; color page: $217,035. □

Levin gets raves from Time execs

By Scott Donaton

NEW YORK—Morale was on the rise at Time Warner's publishing unit last week following a series of meetings between new President and Co-CEO Gerald M. Levin and the editorial and business executives.

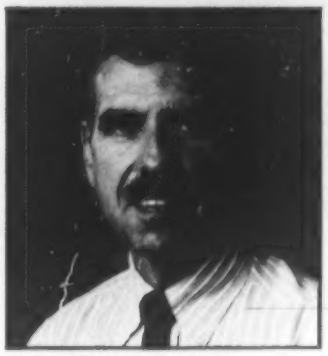
The outpouring of support for Mr. Levin underscored how neglected the division had felt since Time Inc.'s 1989 acquisition of Warner Communications and the extent to which morale and confidence had been shaken by layoffs, restructuring and sale rumors.

Publishers, managing editors and department heads who attended meetings with Mr. Levin—and who spoke only on the condition of anonymity—said he spoke passionately about restoring the magazines' journalistic heritage and vowed the division would never be sold.

"What came through loud and clear was his appreciation of the fact that a real morale problem had developed in the Time & Life Building over the last year or so and that it needed to be addressed," a top editor said.

Mr. Levin, 52, rose to power late last month after the abrupt departure of N.J. Nicholas Jr., whose vision for Time Warner clashed with that of Chairman and Co-CEO Steven J. Ross. Mr. Levin met with managing editors the morning after his promotion and met separately last week with publishers, department heads, top *Time* editors and book publishing executives.

Each meeting was held at the Time & Life Building, the magazine group's "turf," not Time Warner corporate headquarters. And Mr. Levin quickly endorsed a recommendation to change the name of Time Warner Publishing Co., made up of the magazine and book divisions, back to Time Inc. Magazine group executives likened it to movie studio Warner Bros.' retention of its name after the merger.



Gerald M. Levin's effect on Time Warner's publishing unit has already been felt.

"This has been a tremendous shot in the arm for publishing, for magazines, for books and for me personally," said Reginald K. Brack Jr., chairman of Time Warner Publishing and chairman, president and ceo of Time Inc. Magazine Co. "We've always had good support from the parent company. Now we have enthusiastic support."

Mr. Brack said Mr. Levin has already given the magazine group the green light to pursue "seven or eight" expansion projects, including a Japanese-language edition of *Time* and ongoing strategic alliance talks with American Express Co., which Mr. Brack acknowledged for the first time.

The talks would likely involve creating a joint venture to publish AmEx magazines, including *Travel & Leisure* and *Food & Wine*, and give Time Warner titles access to AmEx's database.

"We're still in discussions with American Express. It's a very complex subject, so it takes a lot of time," Mr. Brack said. A decision on the deal could be made in about a month, he said.

The magazine group is also considering starting or buying businesses in database management, event marketing and in-store promotion areas to offer advertisers a wider range of options, he said.

Mr. Brack said his working relationship with Mr. Levin is strong, but there were rumblings last week about the differences in their management styles.

While Mr. Levin is said to be a creative risk taker, along the lines of Mr. Ross, Mr. Brack's style is considered closer to that of the conservative Mr. Nicholas. Magazine group executives say the difference was painfully evident at meetings last week at which both men spoke.

At the meetings, Mr. Levin "talked about his support for the magazines and said they would not, categorically not, ever be sold off," said an editorial executive. "I think it was a good step in the right direction."

Mr. Levin said creativity was more important than costs and that layoffs were "a thing of the past," but also stressed that he "will be a bear on quarterly earnings," Mr. Brack said. □

A-B

(Continued from Page 1)

were often negotiated and managed by Busch Media).

"We are unique. So much of what we do is sponsorships," said Tony Ponturo, who's both VP-corporate media at A-B and president of Busch Media Group. "This way our planning people can be working directly with the brand teams."

Mr. Ponturo said A-B hopes to save money by taking the buying and planning in-house, but he also thinks such projects as local event and sports sponsorships and national rock concert sponsorships must be fully integrated with advertising.

"Rather than just being advertising personnel, our media planners will be [integrated] planning personnel," Mr. Ponturo said. "We want to make sure those [planners] working are working on the basis of the needs of the individual brands."

Anheuser-Bush thinks it "can do it cheaper."

Busch Media already handled $140 million of A-B's beer spending, Mr. Ponturo said. With the addition of the remaining media buying and all planning, Busch Media becomes the largest in-house media buyer and planner in the country, agency sources say.

Busch Media also buys for Eagle Snacks and does some buying for Busch Entertainment, though their agency-based media planning assignments will be unaffected.

Advertising and media buying executives say A-B's move may foretell agencies' future as clients more closely scrutinize the traditional bundling of creative and media.

In recent weeks, the link between creative and media buying and planning has been broken by American Express Co., DHL Corp. and Nestle's Hills Bros. unit, among others.

By breaking the link, marketers may find it's easier to move creative without having to rejuggle the media portion of the account. Ralston Purina Co. and Thomas J. Lipton Co. already do much of their media planning in-house, and industry observers believe other companies will follow. Procter & Gamble Co. and Kraft General Foods both maintain large corporate media planning staffs who work with their agency media planners.

"In the 1960s and 1970s, marketing planning was done by agencies because marketers were a lot lazier," said Roger Casty, exec VP of CPM, a Chicago media buying company. "Now that responsibility has been taken on by advertisers. With so much direct contact between media and marketers because of cable and sports, that's where it's going."

Still, Mr. Casty warned that media planning isn't for everyone.

"They have to be more familiar with new things like buying local cable," he said. "I can't believe most advertisers can keep on top of it. If they are going to do what we do, they would have to have a whole staff of people to listen to new pitches. A-B is mainly buying sports, so it may be able to do it . . ."

Traditional agencies may be fueling some of their own problems, said Ken Slater, president of Hawk Media, San Francisco.

"In the last year, a lot of the large full-service agencies have begun to unbundle themselves, because they're pitching media-only assignments," he said. "They're almost causing it to happen themselves. They're saying that media can be separated from the creative. They're weakening the argument for full service."

He also said the unbundling may make it simple for clients to change agencies.

"What happens when these assignments get unbundled is that without all the other infrastructure involved, the client is simply looking at the agency's creative," he said. "The it's a matter of whether the client is happy with the agency's creative or not. It's so much easier to move it . . ."

Mr. Ponturo, who said A-B will offer jobs to some of the agencies' media buyers and planners, said price was a factor in the move.

"There was no dissatisfaction with the work done," he said. "We think we can do it cheaper."

Mr. Ponturo said he believes A-B's size will help it evaluate media without missing rising opportunities. □

Network TV ad sales in prime time

Network	COMMERCIALS SOLD 1990	1991	% chg	AD REVENUES 1990	1991	% chg	AVERAGE COST/SPOT 1990	1991	% chg
ABC	20,174	20,349	0.9	$2,019.6	$1,917.1	−5.1	$100,107	$94,212	−5.9
CBS	21,571	21,196	−1.7	$1,640.2	$1,550.4	−5.5	$76,035	$73,144	−3.8
NBC	20,195	20,709	2.6	$2,390.0	$1,963.2	−17.9	$118,345	$94,802	−19.9
Total	61,940	62,254	0.5	$6,049.8	$5,430.7	−10.2	$97,670	$87,235	−10.7

Ad revenues are in millions of dollars. Source: *Advertising Age* analysis of data from Arbitron's MediaWatch

Nets get less for more

More commercials sold, but revenues fall over 10%

By Joe Mandese

The Big 3 networks' prime-time revenues fell more than 10% in 1991 despite an increase in the number of commercials sold, according to an *Advertising Age* analysis of data from Arbitron Co.'s MediaWatch.

The Big 3 had revenues of $5.43 billion. They increased the number of prime-time spots 0.5% to 62,254 in 1991, but the average cost per spot fell 10.7% to $87,235.

CBS was the only network of the Big 3 to reduce the number of prime-time spots, down 1.7% to 21,196.

CBS' average cost per spot increased 3.8% to $76,035. A spot on CBS was the cheapest of the Big 3, even though ABC and NBC experienced drops in their average cost per spot.

NBC continued to be the most expensive prime-time network, but its average unit cost fell the most, down 19.9% to $94,802.

Despite increasing the number of prime-time commercials 2.6% to 20,709, the lower cost per unit reduced NBC's prime-time revenues by 17.9% to $1.96 billion in 1991.

The cost of a prime-time commercial on ABC fell 5.9% to $94,212. And while the network increased the number of prime-time commercials sold in 1991 by 0.9% to 20,349, ABC's prime-time revenues dropped 5.1% to $1.92 billion.

While program scheduling shifts make year-to-year comparisons difficult for other network dayparts, the overall cost of a Big 3 network commercial fell 5.4% in 1991 to $28,781.

The decline was precipitated by severe network TV budget cuts by several key advertisers, particularly domestic car, package goods and fast-food marketers.

No. 1 network TV advertiser General Motors Corp. cut its budget 12% to $527.8 million in 1991. No. 9 Chrysler Corp.'s spending fell 7% to $176.2 million, though No. 6 Ford Motor Co.'s budget increased 10% to $217.5 million.

Spending by No. 2 network advertiser Procter & Gamble Co. dropped 8% to $515.6 million, while spending for No. 3 Philip Morris USA, including Kraft General Foods, fell 3% to $390.2 million.

No. 13 McDonald's Corp. slashed its network budget 26% to $171.8 million, and No. 21 Grand Metropolitan, which includes Burger King Corp., cut its budget 44% to $103.3 million.

No. 12 AT&T Co., another huge network advertiser, fell 30% to $172 million. □

Network TV's top advertisers

The top 25 in spending for 1991.

Rank '91	Rank '90	Company	Spending	% chg
1	1	General Motors	$527.8	−12
2	2	Procter & Gamble	$515.6	−8
3	3	Philip Morris	$390.2	−3
4	8	Johnson & Johnson	$239.8	13
5	4	Kellogg	$236.6	−21
6	9	Ford	$217.5	10
7	10	PepsiCo	$204.6	6
8	6	Sears, Roebuck	$187.9	−26
9	11	Chrysler	$176.2	−7
10	13	Toyota	$173.7	2
11	16	American Home Prods.	$173.3	15
12	5	AT&T	$172.0	−30
13	7	McDonald's	$171.8	−26
14	15	Unilever	$154.6	−5
15	17	General Mills	$151.4	6
16	14	Kohlberg Kravis Roberts	$139.4	5
17	19	Anheuser-Busch	$122.9	−5
18	21	Honda	$117.0	−2
19	23	Nestle	$109.0	−25
20	22	Eastman Kodak	$105.6	−9
21	12	Grand Metropolitan	$103.3	−44
22	18	Bristol-Myers Squibb	$99.6	−20
23	25	Coca-Cola	$95.2	7
24	—	Walt Disney	$92.8	48
25	24	Warner Lambert	$84.1	−8

All figures are in millions. Percent change compares 1991 with 1990.
Source: Arbitron's MediaWatch